state court, acting on the theory that it had the authority to review generally the reasonableness of such orders, annulled the order. The Court of Appeals reversed the decision, and the case came before the Supreme Court of the United States on the assignment of error that the order of the commission deprived the gas company of property without due process of law. *Held*, that there was no power in the court to substitute its own judgment for the determination of the Public Service Commission as to what was reasonable under the circumstances of the case. *People ex rel. New York Gas Co.* v. *McCall*, 38 Sup. Ct. Rep. 122.

For a discussion of this case see Notes, page 644.

CORPORATIONS — STOCKHOLDERS; RIGHTS INCIDENT TO MEMBERSHIP — UNREASONABLE REFUSAL OF A DIRECTOR TO CONSENT TO STOCK TRANSFER. — The articles of association provided that "no share shall be transferred without the consent of the directors." The regulations stipulated that "the directors . . . determine the quorum" and that "in case of an equality of votes the chairman shall have a second or casting vote." There were two directors; the one recognized as chairman executed a transfer of shares to the plaintiff, and called a director's meeting to sanction the transfer and order the plaintiff's name to be entered on the register. The other director refusing to attend, no meeting could be had. Plaintiff filed motion to compel the company to enter the transfer on the register. *Held*, that the company must enter the transfer. *In re Copal Varnish Co., Ltd.* (1917) 2 Ch. 349.

By-laws attempting to restrict the right to transfer stock are generally considered invalid. But such right may be limited by statute, or by restrictions incorporated in the charter. *Kretzer* v. *Cole Bros. Co.*, 181 S. W. 1066 (Mo.); *Steele* v. *Farmers', etc. Telephone Ass'n*, 95 Kan. 580, 148 Pac. 661. See 2 COOK, CORPORATIONS, 7 ed., §§ 408, 622 *d*. See also 28 HARV. L. REV. 705. It has been considered, however, that a clause in a charter prohibiting transfer without the consent of the board of directors is invalid. See *Johnston* v. *Laflin*, 103 U. S. 800, 803; N. Y. OPINIONS OF ATTORNEY-GENERALS, 404, 405. A statute, providing specially that the agreement of association shall state "the restrictions, if any, imposed upon the transfer" of stock, has been held to contemplate a restriction to the effect that no "shares . . . shall be . . . transferred without the consent of three-fourths of the capital stock of the corporation." *Longyear* v. *Hardman*, 219 Mass. 405, 106 N. E. 1012. In England such restrictions are allowed when incorporated into the articles of association. See *In re Joint Stock Discount Co.*, L. R. 2 Ch. App. 16. But even then, as is illustrated by the principal case, the power cannot be exercised capriciously. *Shortridge* v. *Bosanquet*, 16 Beav. 84; *Moffatt* v. *Farquhar*, L. R. 7 Ch. D. 591 (1878).

EQUITY — PROCEDURE — MEANING OF "PARTIES INTERESTED." — Testator devised property in trust, to pay a certain annual sum out of the income to his son and the son's wife, and the survivor for life, the trust to terminate on the death of the survivor, and the property to vest in the son's issue, if any, or in the testator's right heirs. Trustees were given power of sale. Executor, who was also a trustee, filed a petition for the sale of land in preference to personalty for the payment of debts of testator, citing only the trustees, who answered, joining in the petition. Land was then sold. Statute requires that in such a proceeding "all parties interested" should be cited (1906, MISS. CODE, § 2079). The son and his wife now petition, with substituted trustees, to have the decree and conveyance set aside. *Held*, that the petition be denied. *Brickell* v. *Lightcap*, 76 So. 489 (Miss.).

The view of the court is that the trustees are the only parties interested, and that the beneficiaries and contingent devisees are sufficiently represented by them. But it seems clear that the beneficiaries at least are directly inter-

ested in the result of the suit, as being the beneficial owners of the property involved, and hence should have been made parties to the proceeding. *McIlroy* v. *Allsop*, 45 Miss. 365; *Cotton* v. *Coit*, 88 Tex. 414, 31 S. W. 106. And the statute governing would seem to include equitable owners in the class of parties interested. *Atkins* v. *Billings*, 72 Ill. 597; *Meek* v. *Spracher*, 87 Va. 162, 12 S. E. 397. For the trustees can hardly have more than legal title to the life estate, and hence cannot be considered sole parties in interest, to the exclusion of the present petitioners. *Luguire* v. *Lee*, 121 Ga. 624, 49 S. E. 834; *Brown* v. *Richter*, 25 App. Div. 239, 49 N. Y. Supp. 368. On the question as to the contingent devisees, there is more basis for the position of the court on the authorities. *Barbour* v. *Whitlock*, 4 T. B. Mon. (Ky.) 180; *Baylor* v. *Dejarnette*, 13 Gratt. (Va.) 152. *Contra*, *McDonald* v. *Bayard Savings Bank*, 123 Iowa 413, 98 N. W. 1025.

ESTOPPEL — SILENCE — REPRESENTATION OF LAW. — The assignee of a mortgage met the mortgagor before time for redemption had expired. The mortgagor made it clear to the assignee that he would redeem, and that he believed the time for redemption had been extended by reason of pending litigation concerning the mortgaged premises. The assignee, knowing that the litigation did not extend the time, said, "Yes," without further comment. The mortgagor acted upon his belief as expressed. *Held*, that the assignee is estopped to deny that time for redemption had been extended. *Fenderson* v. *Fenderson*, 102 Atl. 69 (Me.).

It is well settled that mere silence, a failure to assert one's rights, may give rise to an equitable estoppel. *Pickard* v. *Sears*, 6 A. & E. 469; *Main v. Brown*, 56 Conn. 345, 15 Atl. 743. See 2 POMEROY, EQUITY JURISPRUDENCE, 3 ed., § 818; BIGELOW, ESTOPPEL, 6 ed., 648. See also 30 HARV. L. REV. 647. An intent to mislead or defraud is not necessary to an estoppel. *Rogers* v. *Portland & Brunswick St. Ry.*, 100 Me. 86, 60 Atl. 713. It is generally stated as the settled rule that estoppel cannot be founded on a misrepresentation of law. *Mason* v. *Harpers Ferry Bridge Co.*, 28 W. Va. 639; *Whitwell* v. *Winslow*, 134 Mass. 343. The basis of this rule is either that everyone is presumed to know the law, or that a statement of law can be only an opinion. See EWART, ESTOPPEL, 72 *et seq.* However, an exception to the rule is recognized when the person making the statement is in a particularly good positon to know the law. *Seward* v. *Johnson*, 65 Mo. 102. *A fortiori*, a further exception to the general rule seems proper where, as in this case, the misrepresentation by a person who knows the law is made to a person clearly not knowing the law. A presumption of knowledge where there is known ignorance is unjustified. A statement of law should not be called an opinion when made and acted upon as a fact. See EWART, ESTOPPEL, 72 *et seq.*

EVIDENCE — PAROL EVIDENCE — ADMISSIBILITY OF EVIDENCE AS TO A COLLATERAL AGREEMENT CONCERNING A NEGOTIABLE INSTRUMENT. — Indorsee sued the indorser on a negotiable note. The defendant sought to put in evidence an agreement made by the indorsee to stamp above the indorsement, "Without recourse." *Held*, that the evidence was not admissible to contradict the contract as evidenced by the blank indorsement. *Lake Harriet State Bank*, v. *Miller*, 164 N. W. 989 (Minn.).

There seem to be four views as to when extrinsic evidence of a collateral agreement is admissible, in a suit between the parties to a negotiable instrument. One view would allow it only when recovery would result in circuity of action. See 2 AMES, CASES ON BILLS AND NOTES, 804. Another view would not admit extrinsic evidence when it is offered to change one of the express terms of the instrument, but would admit it when it is offered to change one of the implied terms, *i.e.*, a term attached to the instrument by operation of